

Message Text

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14

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 JUSE-00 AF-10 ARA-16 EA-11

NEA-10 RSC-01 IO-15 CIAE-00 DODE-00 PM-07 H-03 INR-10

L-03 NSAE-00 NSC-10 PA-03 PRS-01 SPC-03 SS-15 USIA-15

ACDA-19 OMB-01 COME-00 TRSE-00 INT-08 SCEM-02 SCI-06

CIEP-02 DRC-01 /209 W

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FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 018

UNCLAS VIENNA 8035

E. O. 11652: N/A

TAGS: OPEC, ENRG, AU

SUBJECT: OPEC RESOLUTION

1. FOLLOWING IS FULL TEXT OF RESOLUTIONS OF THE 35TH EXTRAORDINARY MEETING OF OPEC RELEASED ON SEPT. 27, 1973, WHICH ACCORDING TO PRESS RELEASE HAVE BEEN RATIFIED BY MEMBER COUNTRIES.

2. RESOLUTION XXXV 158. QUOTE THE CONFERENCE, HAVING HEARD THE STATEMENT OF THE HEAD OF THE ABU DHABI DELEGATION CONCERNING THE BASIS OF CALCULATION OF ABU DHABI POSTED PRICES; BEARING IN MIND THE STIPULATION LAID DOWN IN RESOLUTION XVI 90 THAT PRICES SHOULD BE CONSISTENT, SUBJECT TO DIFFERENCES IN GRAVITY, QUALITY AND GEOGRAPHIC LOCATION, WITH THE LEVELS OF POSTED OR TAX REFERENCE PRICES GENERALLY PREVAILING FOR HYDROCARBONS IN OTHER OPEC COUNTRIES; NOTING THAT ABU DHABI CRUDES ARE NOT ONLY GENERALLY UNDERPOSTED, BUT THAT THEIR PREMIUM QUALITY, AS FAR AS THE SULFUR CONTENT IS CONCERNED, IS NOT REFLECTED IN THEIR POSTED PRICES; EXPRESSES CONCERN OVER THIS ANOMALY AND RESOLVES TO SUPPORT FULLY ANY APPROPRIATE MEASURES TAKEN BY ABU DHABI GOVERNMENT IN PURSUIT OF ITS LEGITIMATE INTERSTS IN THIS MATTER. UNQUOTE

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3. RESOLUTION XXXV 159. QUOTE THE CONFERENCE, HAVING HEARD THE STATEMENT OF THE HEAD OF THE LIBYAN DELEGATION CONCERNING NEGOTIATIONS WITH PRODUCING COMPANIES WITH RESPECT TO PARTICIPATION, THE FAILURE OF WHICH SOME COMPANIES, LED TO THE NATIONALIZATION OF 51 PERCENT OF THE OPERATIONS OF SAID COMPANIES; RECALLING PARAGRAPHS 4 OF RESOLUTIONS I.1 AND I.2, AND RESOLUTIONS XVI 90, XXIV 135, XXV 139 AND XXVII 145; BEARING IN MIND THAT A PRINCIPAL AIM OF THE ORGANIZATION IS TO SAFEGUARD THE INTERESTS OF MEMBER COUNTRIES INDIVIDUALLY AND COLLECTIVELY; NOTING THAT CERTAIN OIL COMPANIES OPERATING IN LIBYA HAVE OPPOSED THE ACTIONS TAKEN BY THE LIBYAN GOVERNMENT RESOLVES:

1. TO EXPRESS ITS FULL SUPPORT TO THE DECISION TAKEN BY THE LIBYAN GOVERNMENT IN FULFILLMENT OF ITS SOVEREIGN RIGHT TO CONTROL ITS NATURAL RESOURCES; AND

2. THAT IN CASE CERTAIN OIL COMPANIES TAKE INDIVIDUAL OR COLLECTIVE ACTIONS TO HINDER THE IMPLEMENTATION OF THE DECISION TAKEN BY THE LIBYAN GOVERNMENT IN THE FULFILLMENT OF ITS SOVEREIGN RIGHT, THE CONFERENCE SHALL TAKE THE APPROPRIATE MEASURES WHICH IT DEEMS NECESSARY. UNQUOTE

4. RESOLUTION XXXV 16 EXPECTED FUTURE TRENDS OF THE CRUDE OIL AND OIL PRODUCTS MARKETS, AS WELL AS THE WORLDWIDE INFLATION, ESPECIALLY IN THE INDUSTRIALIZED COUNTRIES; HAVING REVIEWED THE TERMS OF THE TEHRAN, TRIPOLI AND LAGOS AGREEMENTS IN THE LIGHT OF THE ABOVE CONDITIONS AND TRENDS; NOTING THAT THE PRESENT LEVEL OF POSTED PRICES AS DETERMINED BY THOSE AGREEMENTS IS NO LONGER COMPATIBLE WITH SUCH PREVAILING CONDITIONS AND TRENDS THUS REQUIRING AN UPWARD ADJUSTMENT; HAVING NOTED THAT THE ANNUAL ESCALATIONS PROVIDED FOR IN THOSE AGREEMENTS ARE ALSO NO LONGER IN LINE WITH THE CURRENT AND EXPECTED FUTURE TRENDS OF WORLD INFLATION, AS WELL AS THE CRUDE OIL AND PRODUCT PRICES; RECOGNIZING THAT THE OIL COMPANIES ARE REAPING HIGH UNEARNED PROFITS OWING TO DEVELOPMENTS WHICH HAVE OCCURRED SINCE THE CONCLUSION OF THE TEHRAN, TRIPOLI AND LAGOS AGREEMENTS, AND THAT SUCH A SITUATION IS DETRIMENTAL TO THE MEMBER COUNTRIES LEADING TO A FURTHER DETERIORATION OF THE VALUE OF THEIR OIL; RESOLVES:

1. THAT THE MEMBER COUNTRIES CONCERNED SHALL NEGOTIATE, INDIVIDUALLY OR COLLECTIVELY, WITH THE OIL COMPANIES WITH A VIEW TO REVISIT THE TEHRAN, TRIPOLI AND LAGOS AGREEMENTS IN UNCLASSIFIED

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THE LIGHT OF THE PREVAILING CONDITIONS AND EXPECTED FUTURE TRENDS IN THE CRUDE OIL AND OIL PRODUCT MARKETS, AS WELL AS THE WORLD INFLATION;

2. TO THIS END A MINISTERIAL COMMITTEE, COMPOSED OF THE HEADS OF DELEGATIONS OF THE MEMBER COUNTRIES BORDERING THE GULF, BE ESTABLISHED IN ORDER TO NEGOTIATE COLLECTIVELY THE REVISION OF THE TERMS OF THE TEHRAN AGREEMENT WITH THE REPRESENTATIVES OF THE OIL COMPANIES, ON THE 8TH OF OCTOBER, 1973, IN

VIENNA; AND

3. TO EMPOWER THE SAID COMMITTEE TO CALL FOR AN EXTRAORDINARY
MEETING OF THE CONFERENCE IF IT IS DEEMED NECESSARY. UNQUOTE

4. DEPARTMENT PLEASE REPEAT TO OTHER POSTS AS APPROPRIATE.
HUMES

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